Homeland Security:

Daniel J.B. Mitchell
Jan. 4, 2010
Atlanta - LERA

Theme of the New Deal

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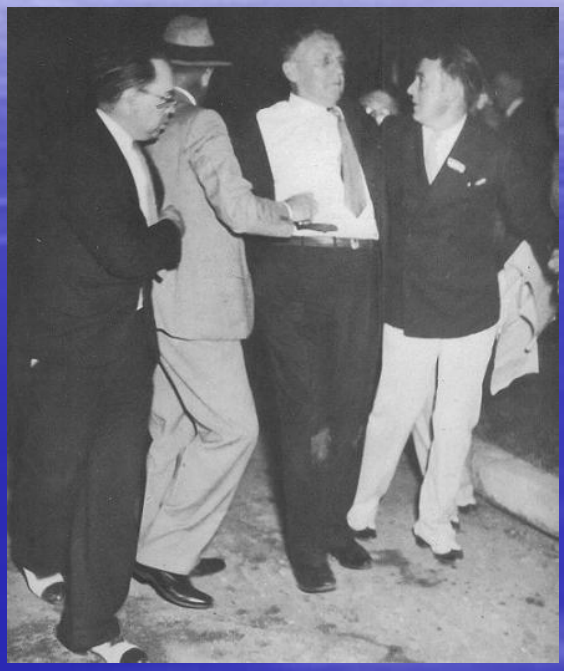
It almost wasn't



It almost wasn't

"All the News That's Fit to Print."

The New York Times.

LATE CITY EDITION
WEATHER—Fair today; tomorrow cloudy, warmer, rain following

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LXXXII....No. 27,435. Entered as Second-Class Matter, Postoffice, New York, N. Y. NEW YORK, MONDAY, MARCH 6, 1933. TWO CENTS in New York City. THREE CENTS Within 250 Miles. FOUR CENTS Elsewhere Except in 7th and 8th Postal Zones.

ROOSEVELT ORDERS 4-DAY BANK HOLIDAY, PUTS EMBARGO ON GOLD, CALLS CONGRESS

HITLER BLOC WINS A REICH MAJORITY; RULES IN PRUSSIA

Stay-at-Homes Turn Out and Give Government 52% of 39,000,000 Record Vote.

NAZIS ROLL UP 17,300,000

Get 44% of Total Poll and Even Wrest the Control of Bavaria From Catholics.

ELECTION [illegible] PEACEFUL

Berlin Is Closely Guarded—The Reichstag Holds Parade Under Sunny Skies.

By FREDERICK T. BIRCHALL.
Special Cable to The New York Times.

BERLIN, Monday, March 6.—With almost mathematical precision the results in yesterday's German elections [illegible] the Reichstag and the Prussian Diet bear out the predictions based on the [illegible] election campaign. Just as [illegible] two make four, so suppression and intimidation have produced a Nazi-Nationalist triumph. The rest of the world may now accept the fact of ultra-Nationalist domination of the Reich and Prussia for a prolonged period with whatever results this may entail.

[illegible]'clock this morning, when [illegible]'00 out of the Reich's eligible [illegible] 44,000,000 counted and [illegible]ory indication of a symbolical vote of 90 per cent, exceeding all precedents Nazi-Nationalist control of the Reichstag was assured. The Nazis will have at least 288 seats and the Nationalists 53 more, giving them together 341 seats, or a clear 52 per cent in a total of 648.

The tabulated vote follows:

	Vote.	Seats.
National Socialists	17,300,000	288
Nationalists	3,100,000	53
Socialists	7,000,000	118
Communists	4,800,000	81
Centrists and Bavarian People's Party	5,900,000	91
Allied Groups	1,011,000	12
State (Democratic)	333,000	5
Total	39,047,000	648

The Nazis have increased their vote to 44 per cent of the adult population, or 11 per cent over that of last November and 6½ per cent over their previous high-water total of last July. The Nationalist increase is barely 1 per cent over their vote of last November. This, therefore, is a Nazi rather than a Nationalist triumph.

Nazis Control Bavaria.

Apart from the size of the vote—the 90 per cent of the eligible voters being as nearly unanimous as any election in any large country has ever shown—the sensation of the election is that the Nazis have wrested control of Bavaria from the Catholics. They have wiped out the deficit in their November vote compared with that of July and have beaten the Bavarian People's party by approximately 670,000. This is likely to dispose of any dream of restoring the Wittelsbach monarchy in Bavaria, so it will of the idea of a possible secession of Bavaria from the Reich.

More than this, in the city of Cologne, the Catholic capital of [illegible]

Mob Attacked Stalin's Home In Wide Revolt, Tokyo Hears

Wireless to The New York Times.

TOKYO, Monday, March 6.—Private information reaching Tokyo states that discontent due to famine conditions is so acute in Soviet Russia that a mob attacked Joseph Stalin's house in Moscow on Jan. 20 and was driven off by troops after 400 persons had been killed. Other reports from Siberia, partly corroborated by information reaching military circles here, indicate the farmers are in widespread revolt. Serious disturbances occurred at Irkutsk, and 20,000 men are said to have joined the revolt, including Communists and [illegible]

Japanese discount a part of these rumors, but they [illegible] come from too many sources to be entirely ignored. It is believed these disturbances are much more serious than the Soviet Government has admitted.

CERMAK NEAR END; LAPSES INTO COMA

Death Is Imminent From Shot Aimed by Zangara at Roosevelt.

FAMILY AT HIS BEDSIDE

Third Transfusion Futile in 19-Day Fight to Save Chicago Mayor in Miami Hospital.

By The Associated Press.

MIAMI, Fla., Monday, March 6.—Physicians at Mayor Anton Cermak's early this morning relinquished hope for his life.

In a bulletin issued at 12:30 A. M., the physicians said that Mayor Cermak was in a condition of coma and that he probably would live only a few hours. The bulletin said Mr. Cermak was "failing rapidly."

It was issued after a third blood transfusion had been administered yesterday in an attempt to save his life.

The Mayor's eight-hour puncture on the night of Feb. 15 by a bullet from the pistol of the assassin, Joseph Zangara, in an attempt to kill Franklin D. Roosevelt, was aspirated yesterday and physicians found a gangrenous condition.

Father Morrison of St. Bartholomew's Church in Chicago entered the sun parlor room at 3:15 A. M. Mayor Cermak's wife was a Roman Catholic and his children are of that faith.

Dr. Frederick Tice of Chicago told newspaper men at 3:25 A. M. that the Mayor probably would live an hour. He said Cermak's breathing was very labored. He called members of the family and said Mr. Cermak's life was "a matter of another hour."

Members of Family Weep.

Members of the family, summoned to the bedside, emerged weeping.

Frank Cermak, a brother, his wife and Mrs. John Kallal, a sister, came from the sun porch at 12:35 A. M. Mrs. Cermak and Mrs. Kallal took their seats on the lawn before the sun porch door and wept.

Vivian Graham, a granddaughter, emerged soon and joined the group. Daughters of the Mayor had been at his side a short time before.

At midnight newspapermen were allowed to go into the sun porch where the Mayor lies in an oxygen

JAPANESE PUSH ON IN FIERCE FIGHTING; CHINA CLOSES WALL

Jehol Forces Offer Stoutest Resistance of Campaign as They Are Cornered.

BUT LOSE ANOTHER PASS

[illegible]ang's Troops at Kupei Bar [illegible]t Southward to the [illegible]ng Area.

NANKING ADMITS DEFEAT.

Asserts 'What Will H[illegible]en Next Depends on Military' [illegible] Fenn Clashes.

By The Associated Press.

TOKYO, March 5.—The (Japanese) news agency dispatches from Chengteh (Jehol City) today said the final phase of the Japanese campaign in Jehol involves a move to seize passes [illegible] the Great Wall north and [illegible]st of Peiping, was produced [illegible] of the most bitter fighting of the whole drive. Chinese units were resisting desperately.

The Sixteenth Infantry Brigade of Major Gen. Tadashi Hawahara, en route to Kupei Pass through the wall, fought fiercely with remnants of the troops of Tang Yu-lin, Governor of Jehol Province, ten miles west of the provincial capital, Chengteh. Thereafter the detachment advanced to Changshanku, which is sixteen miles northeast of the pass.

Marshal Chang Hsiao-liang, military commander of North China, was reported to have ordered a pause against Governor Tang and his followers. Governor Tang himself was reported to have fled to Pengning, which is about forty miles northwest of Chengteh.

Pass in Will Taken.

Fighting in the shadow of the Great Wall preceded the occupation by the Fourteenth Infantry Brigade of Major Gen. Heijiro Hattori of Fanchia Pass, which is one of three important Great Wall passes south of Chengteh. General Hattori faced a large Chinese force south of the wall.

Major Gen. Kaoru Nakamura, commanding the Thirty-third Infantry Brigade, en route from Lingyuan to Cutchiling Pass, summoned an air squadron to aid him before he succeeded in routing remnants of Marshal Chang's Sixteenth Brigade.

The Fourth Cavalry Brigade of Major Gen. Kenzouchi Mogi, pushing on from Chihfeng, 100 miles northeast of Chengteh, captured Weichang, fifty-five miles to the southwest, the centre of the Jehol opium-producing region, after stiff fighting.

Thousands of Chinese Dead.

Special Cable to The New York Times.

SHANGHAI, Monday, March 6.—While members of the Nanking Government are expected to discuss a unified policy at Peiping this week, Jehol reports today tell of indescribable confusion among the Chinese forces there, with thousands killed, wounded and missing among the troops in Marshal Chang Hsiao-liang's best brigades, which originally totaled 20,000.

War Minister Ho Yin-ching arrived by airplane at Peiping at noon, and Acting Premier T. V.

Relief Wages Will Be Paid Despite Holiday, Gibson Says

Harvey D[illegible] the Emerg[illegible] Relief Comm[illegible] day that th[illegible] not interfer[illegible] wage, to w[illegible] women hel[illegible] through th[illegible] and relief h[illegible]

"Emergen[illegible] paid and no[illegible] to pay the[illegible] "I have no[illegible] find a way [illegible] worried wh[illegible] means can [illegible] meet the [illegible] roll."

The week[illegible] entire emer[illegible]

BEWILD[illegible] STILL

[illegible]s Use[illegible] Theat[illegible]

HOPEFUL

Merchants Uncertain Many [illegible]

Bewildered city follow[illegible] terday, talk[illegible] using scrip [illegible] patronized t[illegible] taurants an[illegible]

Hallgarten that there [illegible] decrease in [illegible] there had [illegible] ment" and on as usual.

A spokesman Hallgarten ward mover[illegible] and an off[illegible] Central re[illegible] asserted Set[illegible] some with [illegible] nominations [illegible] There was [illegible] $100 notes, [illegible] and even a few $1,000 notes were presented for changes. One or two of the more timid persons tried to cover up their real purpose by buying Newark tickets.

Railroads Accept Only Cash.

None of the railroads is accepting anything but cash for transportation. This is in accord with general practice, an official pointed out, and up to yesterday no changes in that plan had been proposed. Officers of the New York Central Railroad held a special meeting yesterday apparently to arrange for overcoming that might arise from the banking situation, but no decision was reached so far as could be learned.

Airplane lines and steamship lines, on the other hand, were accepting checks from old clients and were following a policy of being "reasonable" about accepting checks from other customers.

"We will maintain a sensible and reasonable attitude during this crisis," said John Gammie, assistant manager at the Cunard Line. "We will try to carry on much as we did in ordinary times. We haven't taken up the matter of scrip, but it is likely that a meeting of steamship line officials may

BANKS HERE ACT AT ONCE

[illegible] more serious than the Soviet Government has admitted.

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The President's Bank Proclamation

Special to The New York Times.

[illegible] House

[illegible]ERICA.

[illegible]drawals [illegible] purchases [illegible] drains

[illegible]gency; [illegible]es that [illegible] further [illegible]den ex[illegible]ures to [illegible]

[illegible] Octo[illegible]nt may [illegible]regula[illegible]erwise, [illegible]arding, [illegible]er cur[illegible]

[illegible] "that [illegible]his act [illegible]d who[illegible]th any [illegible]ovisions [illegible]$10,000 [illegible] years

[illegible]CVELT; [illegible]CA, IN [illegible]IRTUE [illegible]prevent [illegible] bullion [illegible]t from [illegible] day of [illegible]clusive, [illegible]tutions [illegible]merica, [illegible]holiday, [illegible]be sus[illegible]

[illegible]clied, no [illegible]rmark [illegible]ny de[illegible]ney or [illegible]thereof; [illegible]deposits, [illegible] credits [illegible]y other[illegible]

[illegible] with the [illegible] may [illegible]y or all [illegible] usual [illegible]ance of [illegible] for the [illegible]wal on [illegible] be kept [illegible] them [illegible] subject to withdrawal on demand without any restrictions or limitations.

Friends of the President said he had a definite three-point program for the solution of the banking problem and that tonight's action included two of them. The first, they said, was a protection of the currency against unreasonable withdrawal. The second was to furnish a temporary currency. The third is permanent reorganization of the whole banking system, which, they predicted would be postponed to the special session of Congress meeting here Thursday.

Officials Act Quickly.

The Federal Reserve Board and Secretary Woodin, with the advice of former Secretary Ogden L. Mills acted immediately after the issuance of the proclamation to make

USE OF SCRIP AUTHORIZED

President Takes Steps Under Sweeping Law of War Time.

PRISON FOR GOLD HOARDER

The Proclamation Provides for Withdrawals From Banks Against New Deposits.

CONGRESS SITS THURSDAY

Day of Conference With the Cabinet and Financial Men Precedes the Decree.

Special to The New York Times.

WASHINGTON, March 5.—To prevent the export, hoarding or earmarking of gold or silver, coin or bullion or currency, President Roosevelt issued a proclamation at 11 o'clock tonight, in which he ordered a bank holiday from tomorrow through Thursday, March 9. Earlier in the day he had summoned a special session of Congress to meet on Thursday.

This sweeping action was taken after a day of conferences, among officials and bankers, the President taking recourse to war powers granted under the trading-with-the-enemy act.

As a result of the proclamation all banking activities will be suspended during the holiday, except as permitted by regulations of the Secretary of the Treasury, thus taking this country technically off the gold standard until the four-day period expires.

In order that there may not be a complete suspension of all banking and exchange operations, the proclamation authorizes the issuance of Clearing House certificates, which may be used as currency until the banks return to more normal functioning.

Points of the Proclamation.

The main points in the proclamation are:

1. A national banking holiday from March 6 to March 9 inclusive.

An embargo on the withdrawal of gold and silver for export or domestic use during that period, except with permission of the Secretary of the Treasury.

3. The issuance of Clearing House certificates or other evidence of claims against the assets of banking institutions to permit business to carry on.

4. Authorization to banking institutions under regulations of the Secretary of the Treasury to receive new deposits and make them subject to withdrawal on demand without any restrictions or limitations.

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separately in cash or on deposit in Federal Reserve Banks or invested in obligations of the United States.

As used in this order the term "banking institutions" shall include all Federal Reserve Banks, national banking associations, banks, trust companies, savings banks, building and loan associations, credit unions, or other corporations, partnerships, associations or persons, engaged in the business of receiving deposits, making loans, discounting business paper, or transacting any other form of banking business.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the City of Washington this 6th day of March, 1 A M., in the year of Our Lord One Thousand Nine Hundred and Thirty-three, and of the Independence of the United States the one hundred and fifty-seventh.

(SEAL) FRANKLIN D. ROOSEVELT.

By the President:
CORDELL HULL,
Secretary of State.

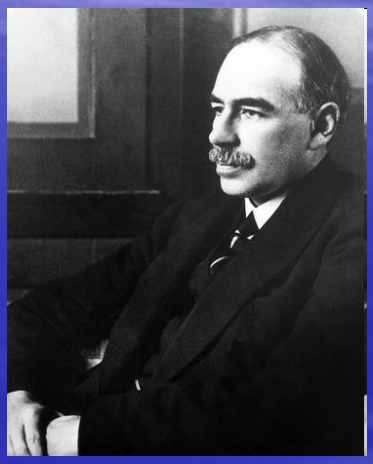
ROOSEVELT MEETS GOVERNORS TODAY

Conference Will Centre on Bank Problem—Confidence

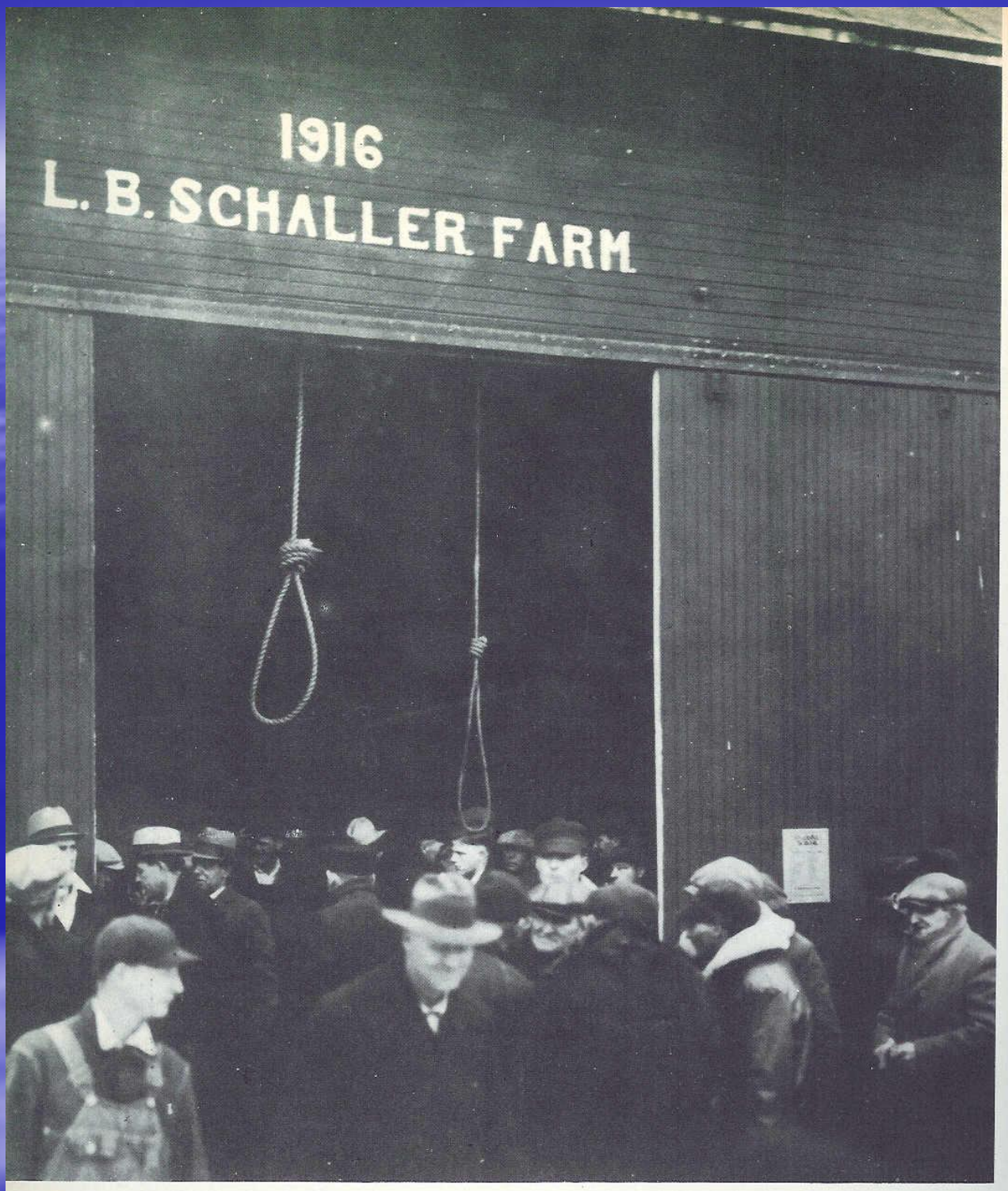
ON GOLD STANDARD, WOODIN DECLARES

Other High Officials Concur in His View of Suspending

Background: No Model



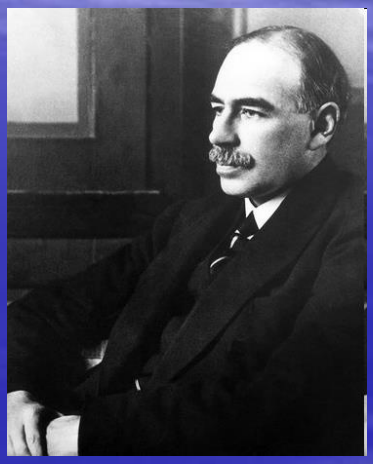
- Keynes vs. Classicals
  - Fallacy of composition
  - Apples vs. everything
- Muddle, not model
  - Business cycle as natural phenomenon, cleans excesses
  - Wait patiently
- Raise wages for consumption
- Raise prices
  - Debt-deflation
  - Farm unrest
- Real vs. nominal?



During the late winter and spring of 1933 the troubles of the mid-Western farmers were greatly aggravated by innumerable foreclosures under mortgages which they were unable to pay. In some sections the farmers met the problem by holding so-called "penny auctions", through which they saved their property and at the same time fulfilled the legal requirements of the mortgage. This photograph shows such an auction in progress near Haskins, O., where the Sheriff, to satisfy an $800 mortgage, offered at public sale all farm equipment owned by Walter Crozier, who operated the L. B. Schaller farm. The sale brought a total of $1.90, the farmers bidding 5 cents each for horses, 6 cents for a cow, etc. Next day all the property was returned to Crozier. The two nooses dangling in the barn door were installed as a warning to outsiders not to interfere with the bidding. None did.

The farm disturbances of 1933 reached threatening proportions in the district around Pringhar, Ia., where serious trouble was averted only by the presence of two hundred National Guardsmen, hurriedly sent into the area by the Governor of Iowa after a judge had been beaten by the embattled countrymen. Before the troops arrived a posse of farmers captured a lawyer and several deputy sheriffs, who were busy foreclosing mortgages, and forced them to kneel and kiss the American flag.

What it wasn't



- Coherent
- Labor union - centric
- Keynesian
- Based on any other macroeconomic model because there really was no such thing as macroeconomics
- Based on the data you now see about the Depression such as unemployment or GDP
- Conventional

Is this film comedy or macro policy?

Theme of New Deal: Security

- Through backing up banks
- Through economic planning (NRA-NIRA Codes)
- Through confidence building
- Through international mutual trade agreements
- Through income protection
  - Old-age pensions
  - Unemployment insurance
- Through “reflation” of prices and wages

Gold Reflation

UNDER EXECUTIVE ORDER OF THE PRESIDENT

all persons are required to deliver

ON OR BEFORE MAY 1, 1933

all GOLD COIN, GOLD BULLION, AND GOLD CERTIFICATES now owned by them to a Federal Reserve Bank, branch or agency, or to any member bank of the Federal Reserve System.

Executive Order

GOLD CERTIFICATES may be identified by the words "GOLD CERTIFICATE" appearing thereon. The serial number and the Treasury seal on the face of a GOLD CERTIFICATE are printed in YELLOW. Be careful not to confuse GOLD CERTIFICATES with other issues which are redeemable in gold but which are not GOLD CERTIFICATES. Federal Reserve Notes and United States Notes are "redeemable in gold" but are not "GOLD CERTIFICATES" and are not required to be surrendered.

Special attention is directed to the exceptions allowed under Section 2 of the Executive Order

CRIMINAL PENALTIES FOR VIOLATION OF EXECUTIVE ORDER

$10,000 fine or 10 years imprisonment, or both, as provided in Section 9 of the order

George Warren and Frank Pearson

Path Dependence

Warren

William Jennings Bryan

Gold Experiment Ends in 1934

TWO CENTS

DOLLAR REVALUED AT 59.06, GOLD PUT AT $35 AN OUNCE; STABILIZATION FUND SET UP

Stocks Leap to New Highs in San Francisco; Eastern Buying a Factor in Huge Turnover

SAN FRANCISCO, Jan. 31 —In the most spectacular advance in many a day, security prices on the exchanges went into new high ground on a great wave of late buying today. Turnover on the Stock Exchange reached the highest point since July, 1933, as 880,000 shares changed hands.

The bullish speculation was apparently set off by announcement from Washington of the gold price, which came too late to affect trading on Eastern exchanges. Much of the buying here was reported to be in response to Eastern orders.

The advance started in the gold shares as Natomas rose to an all-time high at 63¼, up 7¼; Alaska Juneau proved a new high at 23¼, up ½. On the Curb, Argonaut Mining led advances as it smashed to a new high at 6¾, and Idaho Maryland climbed 45 cents to $5.70.

Industrial issues followed closely as Caterpillar gained 1¾, California Packing 1 and Paraffine 1, while many recorded smaller gains. Coast Counties Gas preferred jumped 5 points to 70 to lead utilities, while Wells Fargo Bank added 6¼ points to reach 200.

Advances on the Curb Exchange were slightly less spectacular, and changes for the day were smaller, but recoveries from early

GOLD BULLION STANDARD

Metal to Be Sold at $35 as Well as Bought to Steady the Dollar.

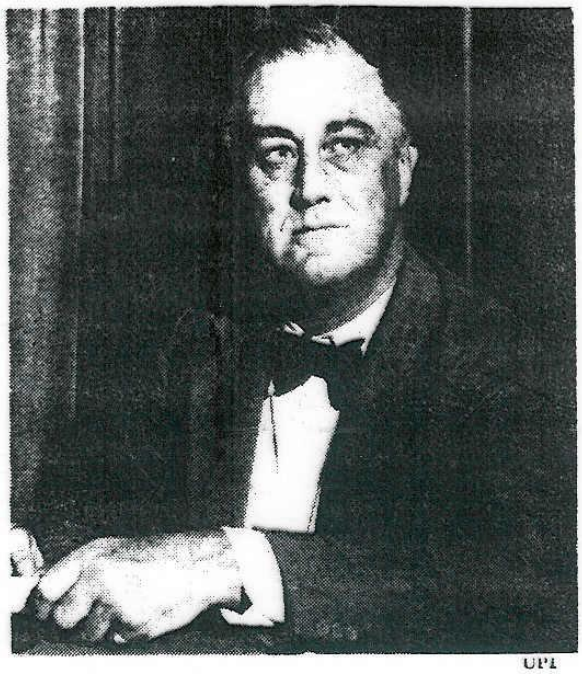
$2,792,859,128 THE PROFIT

The President in Proclamation Reserves Right of Further Changes Under Law.

BASES ACT ON EMERGENCY

Gold Dollar Is Now Worth

FDR's shocker: The 1934 devaluation set the gold price for 37 years



UPI

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Issued April 5, 1933

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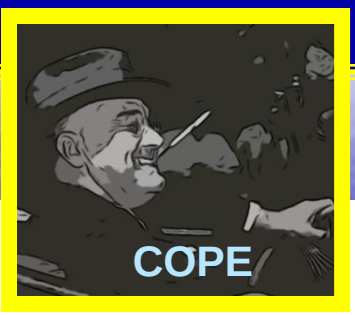
Income Security

Signing of Social Security Act: 1935

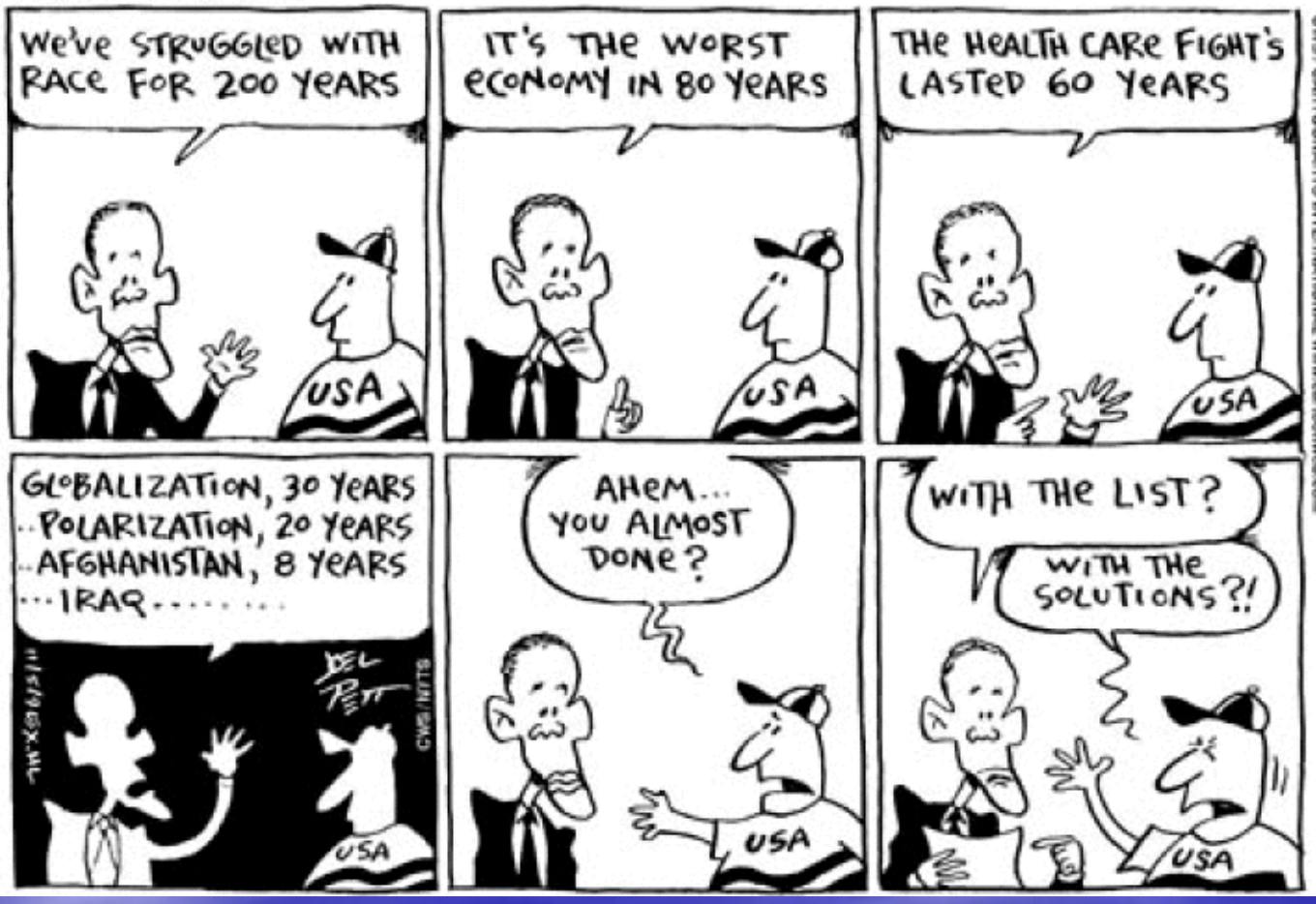
Then: Theme, but no model

Now: Model is (new) Keynesian, but no theme

Then: Theme, but no model



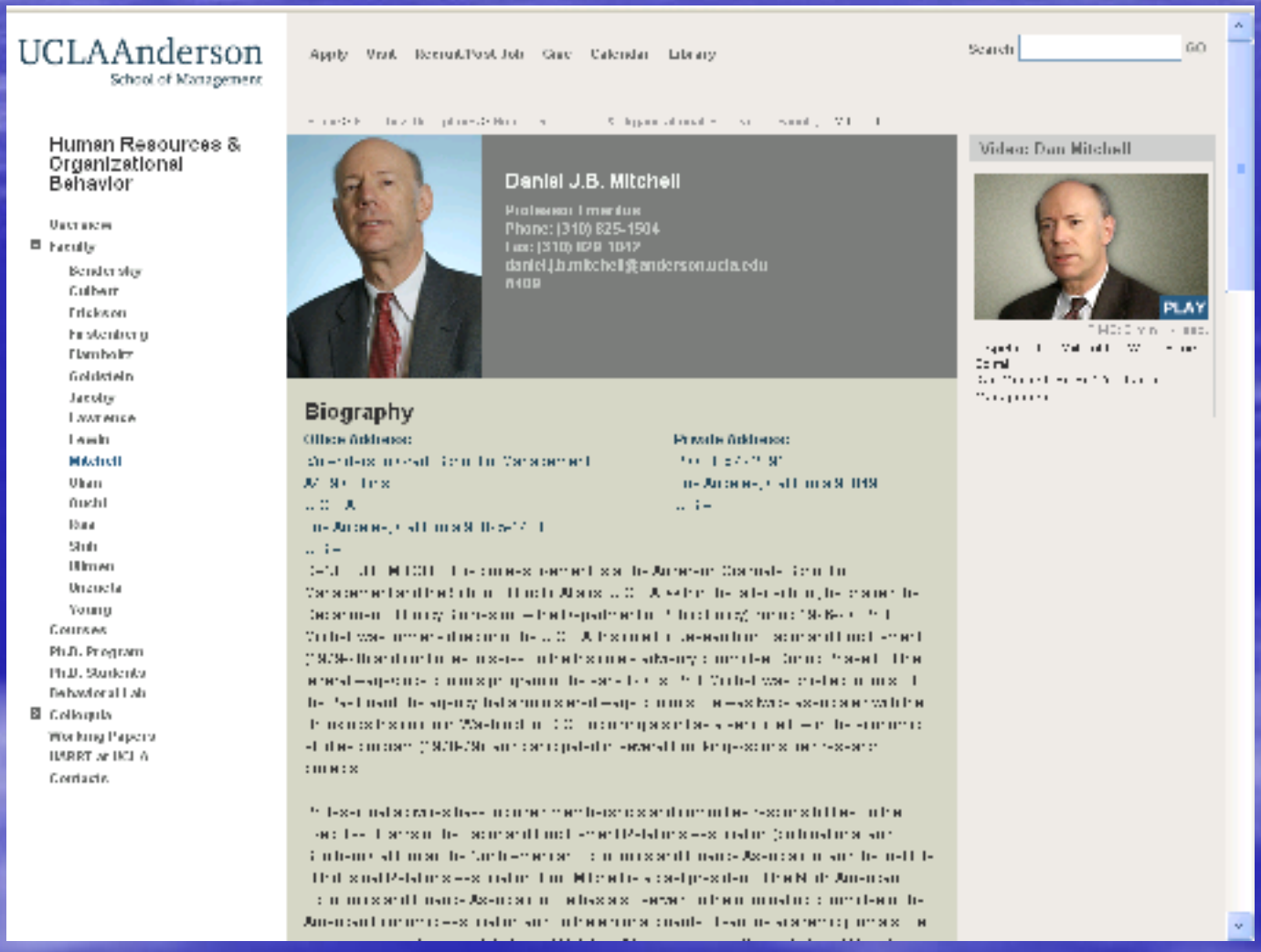
JOEL PETT
LEXINGTON HERALD-LEADER



Now: Model is (new) Keynesian, but no theme

http://www.youtube.com/danieljbmitchell

http://www.anderson.ucla.edu/x2195.xml



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